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President says ex- duped Garland

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Joe Halpain nervously bounced his leg as he discussed his company's sale to Libya of electronic timers — timers capable of setting off explosives — and the firm's previous dealings with the Central Intelligence Agency.

The situation was one with which the 50-year-old president of Garland-based Scientific Communications, Inc., clearly was uncomfortable.

"As far as I am concerned, we were a manufacturer that was duped by some people with some pretty sophisticated connections," Halpain said.

Kevin Mulcahy, a former CIA communications expert, has detailed how he and two other former intelligence agency employees, Edwin Wilson and Frank Terpil, worked to establish a plant for manufacturing assassination weapons. The plant was for use by Libyan dictator Col. Moammar Khadafy in his campaign of worldwide terrorism.

DESCRIBING Scientific Communications as a longtime CIA supplier, Mulcahy said Halpain's firm was contracted by Inter-Technology, Inc., a Washington-based front company directed by Wilson and Terpil, to furnish electronic timers destined for Libya.

Halpain, in his first statement since publication of Mulcahy's account, said he had no knowledge at the time of the deal of the ultimate destination of the timers.

He said he proceeded with the contract after receiving CIA assurances that his dealings with Inter-Technology, totaling \$40,000 and lasting from August through October 1976, were in order.

Officials for another firm implicated in the Mulcahy account, J.S. Brower and Associates of Pomona, Calif., refused comment.

quit working with Wilson and Terpil after a \$15,000 final payment on his contract with Inter-Technology was stopped. At that point, Halpain said, he concluded Scientific Communications, an 11-year-old manufacturer of high-technology radio equipment with annual sales of \$10 million, had become involved in an inappropriate business.

"We hadn't built that kind of equipment in the past and we weren't going to build that kind of equipment," Halpain said.

Scientific Communications, a privately held corporation with more than 150 employees, divides its work about evenly between government and business contracts.

In May, the Small Business Administration named Scientific Communications the Region VI Small Business Prime Contractor of the Year. In announcing the award, Jim Reed of the SBA said, "We are pleased to have a company with such an outstanding record of achievement. . . . They have been of great benefit to the industrial base of government procurement."

HALPAIN SAID HIS firm has manufactured "passive" intelligence-gathering devices primarily for the Navy, but also for the CIA.

In mid-1976, officials of another company implicated by Mulcahy in the Libyan scheme, American Electronic Laboratories of Colmar, Pa., approached Halpain suggesting that Wilson and Terpil could help Scientific Communications enter Middle Eastern markets.

"At the time these things happened, Ed Wilson was a multimillionaire, and he was an American hero type that had done tremendous things for the American government," Halpain said.

"We had no contacts in the Middle East, and we were aware that with the growing closeness between the United States and the Middle East

are ours. At this time we were a very small company, about \$2 million in annual sales."

Halpain said Scientific Communications' Washington-based salesman contacted Inter-Technology concerning Middle Eastern representation.

"SOMEBODY BROUGHT UP the timer deal while we were talking to them about representation," Halpain said.

Soon after, Halpain visited Washington to confer with Wilson and was told the timers would be used for oil field security in the Middle East and possibly in South America.

"We didn't get suspicious about anything because they wanted them cheaply. They were only willing to pay \$24 a piece for them."

The devices were very simple — a 9-volt battery, printed circuit board and four wires in a jury-rigged medicine bottle — and were mechanically similar to ordinary household timers.

Two weeks later, Wilson called Halpain asking if he could produce 500 of the devices within 2 weeks because another supplier had suddenly backed out.

Such custom work was rarely undertaken by Scientific Communications.

"WE WOULD NOT normally have done this, except it looked as though these people were going to be our overseas representative and we wanted to impress them," Halpain said.

Although he had warned Wilson that the timers would be crude because of the quick production schedule, when Wilson saw them "he got very mad. He got really upset. . . . He said they didn't look good enough — that they weren't pretty enough."

Halpain said he received a telephone call from a Wilson employee three days later, complaining that the timers were defective.